



Bill Draft 2019-RBz-14: UI Laws Tech, Clarifying, and Admin Changes.

2019-2020 General Assembly

Committee:	Joint Legislative Oversight Committee on Unemployment Insurance	Date:	March 4, 2020
Introduced by:		Prepared by:	Cindy Avrette
Analysis of:	2019-RBz-14		Staff Attorney

OVERVIEW: *This bill draft makes three changes recommended by the Division of Employment Security and removes the July 1, 2023 date that would sunset this oversight committee.*

CURRENT LAW AND BILL ANALYSIS: This bill draft would do the following:

- Allow a claimant to satisfy one of the weekly job contacts by attending a reemployment activity offered by a local career center and verified by the Division as a suitable credit toward the work search requirement.
- Allow an employer to initiate an unemployment claim for employees when the unemployment is due directly to a disaster covered by a federal disaster declaration.
- Provide that a lien for county property taxes does not take priority over a previously filed lien for past due contributions.
- Repeal the sunset of the Joint Legislative Oversight Committee on Unemployment Insurance.

Work Search Requirements. – An individual's eligibility for a weekly benefit amount is determined on a week-to-week basis. One of the requirements for eligibility is that the individual must be able to work, available to work, actively seeking work, and accepts suitable work when offered. The Division's determination of whether an individual is actively seeking work is based, among other things, on whether the individual has made at least three job contacts during the week. This section would allow an individual to satisfy one of the weekly job contacts by attending a reemployment activity offered by a local career center and verified by the Division as a suitable credit toward the work search requirement. This section would become effective on July 1, 2020, to give the Division time to determine, educate, and communicate the types of reemployment activities that would be a suitable credit. An example of a reemployment activity that may be determined suitable would be one that helped an individual create a resume.

Federal Disaster Declaration. – For purposes of the employment security laws, a federal disaster declaration is a declaration of a major natural disaster by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the declaration allows disaster unemployment assistance under the federal act. The employment security laws already allow certain exceptions in these instances:

- Benefits paid to an individual may not be charged to any base period employer, G.S. 96-11.3(b)(2).
- An individual does not need to serve a one-week waiting period before receiving benefits, G.S. 96-14.1(b).

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- An unemployed individual is deemed to have satisfied the work search requirements, unless the Division requires the individual to conduct a work search, G.S. 96-14.9(l).

This section would provide one more exception in the case of unemployment due to a disaster declaration, it would allow the employer to file claims for employees. One of the weekly requirements an individual must meet to be eligible for benefits is to file a valid claim. This section would allow this requirement to be met by the employer on behalf of the employee.

Priority of Tax Liens. – Under G.S. 96-10(b), the Division may seek collection of a delinquent contribution payment, after due notice and an opportunity for a hearing to the employer, by placing a lien on the delinquent taxpayer's property. Under the general law, the priority of liens is determined by when they are docketed and indexed on the cross index of judgements in the county. However, county property tax liens may take priority over previously recorded liens, except for previously recorded liens for State taxes. Although contributions payable under Chapter 96 are State unemployment taxes, it is unclear whether a lien for delinquent contributions is considered a State tax lien under Chapter 105. This section clarifies that a lien for delinquent contributions is treated the same as other liens for delinquent State tax debts.

Repeal Study Committee Sunset. – The General Assembly created the Joint Legislative Oversight Committee on Unemployment Insurance in 2013 when it reformed the employment security laws. The purpose of the committee is to study the unemployment insurance laws and review them to determine which ones need clarification, technical amendment, repeal, or other change to make the laws concise, intelligible, and easy to administer. It is also charged with monitoring the Unemployment Trust Fund balance, and with studying workforce development programs and reemployment assistance efforts. The original legislation contained a ten-year sunset on the committee. This section would remove that sunset, ensuring that the committee is permanent.

EFFECTIVE DATE: Except as otherwise provided in Section 1, this act would become effective when it becomes law.